

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
100 USDA, Suite 102
Stillwater, OK 74074

OK Notice NAP-69

For: County Offices

Small Grain NAP Acreage Eligibility

Approved by:



1 Overview

A Background

Producers reporting NAP crop acreage must do so according to 2-CP requirements and must report the intended use when the acreage report is filed. 1-NAP (Rev. 1), paragraph 151, contains the policy concerning the requirement to file a NAP crop acreage report. Acres that are reported for a crop that is an eligible NAP crop and that are reported with an intended use eligible for NAP become the potential “NAP-eligible” acres. There have been questions raised concerning how to handle small grains and revisions of acreage reports that are made according to 2-CP requirements.

B Purpose

The purpose of this notice is to provide various scenarios based on the way a producer has reported acreage on the FSA-578.

2 Acreage Eligible for NAP Coverage

A Basic Rule

The government’s liability for NAP crops is based on the reported crop acres and use(s). If a producer makes a different use of the crop, the provisions of 1-NAP (Rev. 1), paragraph 174, are applicable. A change in use of the acreage for which a “revised” acreage report was not filed according to 2-CP can not increase the government’s liability, nor will it require a producer to maintain production records on acreage that is not eligible for NAP.

Disposal	Distribution
September 1, 2004	County Offices

3 Scenarios

A Information Concerning Scenarios

Exhibit 1 reflects the NAP impact based on different acreage reporting scenarios. Following is a brief description of the type of information included in each column:

Column 1: Identifies the intended use of the acreage as certified on the FSA-578 and also specifies whether the grain crop is insured.

Column 2: Provides actions that the producer has taken concerning the acreage report and/or disposition of the crop.

Column 3: Identifies if and how the acreage is eligible for NAP.

Column 4: Information concerning how the actions taken by the producer impact the acreage for NAP eligibility.

B Reminder of Payment Grouping

A small grain intended for grazing and hay is in the same payment grouping. A small grain intended for grain is in a separate payment grouping and is not eligible for NAP [1-NAP (Rev. 1), subparagraph 196 D].

For example: Wheat intended for fall/winter grazing followed by cutting hay in the spring is in the same payment grouping and production of both will be used to determine eligibility. Wheat intended for grain is in a separate payment grouping from forage uses.

Small Grain Acreage Reporting Scenarios and Consequences

	Acreage Certification – (Based on Intention) -1-	Producer Action -2-	NAP Eligibility -3-	Comment -4-
A	Fall/winter graze + hay	No revision of acreage report	Acreage eligible for fall/ winter grazing + spring hay	Hay production <u>must be</u> provided before NAP benefit can be determined. Fall/winter grazing loss (or lack thereof) and spring hay production are combined for determining benefit.
B	Fall/winter graze + hay	No revision; brings in grain production for LDP <i>Note: pen & ink notation is required on FSA-578 to identify grain acres</i>	Acreage eligible for fall/ winter grazing + spring hay	Acreage could be eligible for fall/winter loss and hay loss; the fall/winter loss (or lack thereof) will be one component of the loss calculation; the grain is considered secondary use (rather than the hay) and the value deducted from the NAP payment according to 1-NAP (Rev. 1), subparagraph 174 C. Grain yield is subject to reduction per STC policy in 8-LP, subparagraph 536 C.
C	Fall/winter graze + grain	No revision	Acreage eligible for fall/ winter grazing	Acreage could only be eligible for fall/winter loss because grain is a separate payment grouping
D	Fall/winter graze + grain	No revision; brings in acceptable record of hay production	Acreage eligible for fall/ winter grazing	Acreage could only be eligible for fall/winter loss because the intended use of grain is in a separate payment grouping; although hay is in the same payment grouping as grazing, the acreage did not have NAP coverage for the spring period because the producer failed to revise the acreage report; therefore, hay production has no impact on the application/benefits
E	Fall/winter graze + grain	No revision; COF is aware acreage was grazed out	Acreage eligible for fall/ winter grazing	Acreage could only be eligible for fall/winter loss because the producer failed to revise the acreage report from the intended use of grain, which eliminates the acreage from eligibility beyond the fall/winter period; grazing use in the spring has no impact on the NAP application
F	Fall/winter graze + grain • Grain is insured	No revision; COF is aware acreage was grazed out	Acreage eligible for fall/ winter grazing	Acreage could only be eligible for fall/winter loss because the intended use of grain eliminates the acreage from eligibility beyond the fall/winter period; irrespective of whether the grain was insured for the full period or short-rated or whether or not an indemnity was paid, the grazing use in the spring has no impact on the NAP application

	Acreage Certification – (Based on Intention) -1-	Producer Action -2-	NAP Eligibility -3-	Comment -4-
G	Fall/winter graze + grain • Producer applied for graze-out payment (similar to LDP)	No revision; COF is aware acreage was grazed out <i>Note: If the graze-out payment is made, a pen & ink notation must be made on the FSA-578 to reflect grazed acreage.</i>	Acreage eligible for fall/ winter grazing	Acreage could only be eligible for fall/winter loss because the producer failed to revise the acreage report and the intended use of grain eliminates the acreage from eligibility beyond the fall/winter period; the producer must choose between the NAP payment and the graze-out payment; if a graze-out payment has been made, the producer can not receive NAP benefit; if the NAP payment has been received and the producer later chooses the graze-out payment, the NAP payment must be refunded
H	Fall/winter graze + grain	Revised report by reporting date* to fall/winter graze + hay	Acreage eligible for fall/ winter grazing + hay	Hay production <u>must be</u> provided before NAP benefit can be determined. Fall/winter grazing loss (or lack thereof) and spring hay production are combined for determining benefit. <i>Note: Column 1 does not indicate the grain was insured (either insurance was not purchased or was short-rated)</i>
I	Fall/winter graze + grain	Revised report by reporting date* to graze out	Acreage eligible for full season grazing	Acreage could be eligible for full season grazing loss. <i>Note: Column. 1 does not indicate the grain was insured (either insurance was not purchased or was short-rated)</i>
J	Full season grazing	No revision; brings in grain production for LDP <i>Note: pen & ink notation is required on FSA-578 to identify grain acres</i>	Acreage is eligible for full season grazing	Acreage will be eligible for full season loss; the fall/winter loss (or lack thereof) will be one component of the loss calculation; the grain is considered secondary use (rather than spring grazing) and the value deducted from the NAP payment (subparagraph 174 C)
K	Full season grazing	No revision; brings in acceptable record of hay production	Acreage is eligible for full season grazing	Acreage will be eligible for full season loss based on a breakdown between fall/winter and spring loss and must be paid based on grazing; the fall/winter loss (or lack thereof) will be based on the loss established by STC based on COC recommendation and independent assessments; the spring period loss (or lack thereof) will be based on the percent of loss of the hay production

	Acreage Certification – (Based on Intention) -1-	Producer Action -2-	NAP Eligibility -3-	Comment -4-
L	Fall/winter graze + grain	Revised report after reporting date* to fall/winter graze + hay; didn't meet late-filed acreage report requirements	Acreage eligible for fall/ winter grazing	Acreage could be eligible for fall/winter loss; hay production, or lack thereof, has no impact on the fall/winter grazing loss; hay production is not required and if there is a hay loss, no benefit could be paid
M	Fall/winter graze + grain	Revised report after reporting date* to graze out; didn't meet late-filed acreage report requirements	Acreage eligible for fall/ winter grazing	Acreage could be eligible for fall/winter loss; any loss or lack thereof that occurred during the spring period has no impact on the NAP benefit

- * “Reporting date” means the date as provided in 2-CP (Rev. 15), Exhibit 6, which states that to be timely, the acreage report must be filed 15 days prior to onset of grazing or 15 days prior to onset of harvest. Late-filed provisions are applicable if the acreage report is not filed by the 15-day period.

Example: Acreage was certified for fall/winter grazing + grain. Acreage was continually grazed beginning December 1. March 1 was the final date to “timely” revise acreage report to graze-out. Even though acreage is continuously grazed, March 16 is the first day of the spring grazing period; therefore, March 1 meets the “15 days prior to onset of grazing” requirement for a timely revision. The report could be revised at a later date if 2-CP late-filed provisions can be met.